



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

March 30, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen 
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Pursuit of County Sponsorship of Legislation

SB 1260 (Murray) would, subject to approval by the Board of Supervisors, change the method of computing the cost when 1937 Act retirees choose to increase the survivor benefit level above the standard survivor benefit. Existing law provides a standard benefit level for survivors of County employees equal to 55% (Plan E), or 65% of a member's retirement benefit. This survivor benefit is provided without a reduction in the monthly retiree's pension amount. Existing law also provides that if a retiree opts to provide a higher benefit to his or her survivors, the monthly benefit of the retiree is reduced by the full actuarial cost of the augmented survivor benefit. SB 1260 would, instead, compute the actuarial cost as the incremental difference between the standard benefit and the higher survivor benefit. Election of this option cannot place any additional financial burden on the retirement system.

SB 1260 is part of a settlement agreement with SEIU Local 660, and the County in relation to the MOU approved by the Board on December 16, 2003. The parties agreed to pursue legislation that would change the method for computing the cost to increase survivor benefits above the standard level. **Because SB 1260 reflects this agreement, the County is co-sponsoring this bill with Local 660.** SB 1260, which was introduced on February 12, 2004, passed the Senate Committee on Public Employment and Retirement on March 22, 2004 by a vote of 5 to 0 and has been re-referred to the Senate Committee on Rules. Support includes the American Federation of State, County, and Municipal Employees. There is no registered opposition.

Each Supervisor
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We will continue to keep you advised.

DEJ:GK
MAL:JF:DdN:ib

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants